

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 287

Introduced by General Affairs Committee Karpisek, 32, Chairperson;
Coash, 27; Cook, 13; Dierks, 40; Friend, 10; Price,
3; Rogert, 16.

Read first time January 14, 2009

Committee: General Affairs

A BILL

1 FOR AN ACT relating to gambling; to amend sections 9-255.04, 9-347,
2 and 9-347.01, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to the definite profit of
4 pickle cards; to harmonize provisions; and to repeal the
5 original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-255.04, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 9-255.04 (1) No expense shall be incurred or amounts paid
4 in connection with the conduct of bingo by a licensed organization
5 except those which are reasonable and necessary.

6 (2) A licensed organization shall not spend more than
7 fourteen percent of its bingo gross receipts to pay the expenses of
8 conducting bingo. The actual cost of (a) license and local permit
9 fees, (b) any taxes authorized by the Nebraska Bingo Act, (c)
10 bingo and promotional prizes, (d) the purchase, rental, or lease
11 of bingo equipment, and (e) the rental or lease of a premises for
12 the conduct of bingo and the purchase, rental, or lease of personal
13 property as allowed by the department in rule and regulation which
14 is necessary for the conduct of bingo shall not be included in
15 determining compliance with the expense limitation contained in
16 this section.

17 (3) A licensed organization which is also licensed to
18 conduct a lottery by the sale of pickle cards pursuant to the
19 Nebraska Pickle Card Lottery Act may allocate a portion of the
20 expenses associated with the conduct of its bingo occasions to
21 its lottery by the sale of pickle cards conducted at such bingo
22 occasions. Such allocation shall be based upon the percentage that
23 pickle card gross proceeds derived from the sale of pickle cards
24 at the bingo occasions represents to the total of bingo gross
25 receipts and pickle card gross proceeds derived from such bingo

1 occasions for the previous annual reporting period. An organization
2 licensed to conduct bingo that has not been previously licensed
3 shall determine such allocation based upon the percentage that
4 pickle card gross proceeds derived from the sale of pickle cards at
5 the bingo occasions represents to the total of bingo gross receipts
6 and pickle card gross proceeds derived from such bingo occasions
7 for the initial three consecutive calendar months of operation.

8 (4) The total amount of expenses that may be allocated
9 to the organization's lottery by the sale of pickle cards shall be
10 subject to the limitations on bingo expenses as provided for in
11 the Nebraska Bingo Act with respect to the fourteen-percent expense
12 limitation and the fair-market-value limitation on the purchase,
13 rental, or lease of bingo equipment and the rental or lease of
14 personal property or of a premises for the conduct of bingo. No
15 portion of the ~~eight~~ ten percent of the definite profit of a pickle
16 card unit as allowed by section 9-347 to pay the allowable expenses
17 of operating a lottery by the sale of pickle cards shall be used
18 to pay any expenses associated with the sale of pickle cards at a
19 bingo occasion.

20 (5) All persons paid for working at a bingo occasion,
21 including pickle card sellers but excluding concession workers,
22 shall be paid only by a check written from the licensed
23 organization's bingo checking account and shall not receive any
24 other compensation or payment for working at a bingo occasion
25 from any other source. Such wages shall be at an hourly or

1 occasion rate and shall be included in the amount allowed by the
2 expense limitation provided in subsection (2) of this section. No
3 person shall receive any compensation or payment from a licensed
4 organization based upon a percentage of the organization's bingo
5 gross receipts or profit.

6 (6) No expenses associated with the conduct of bingo
7 may be paid directly from the licensed organization's pickle card
8 checking account. A licensed organization may transfer funds from
9 its pickle card checking account to its bingo checking account as
10 permitted by subsection (3) of this section by a check drawn on
11 the pickle card checking account or by electronic funds transfer as
12 provided only by section 9-347.

13 Sec. 2. Section 9-347, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 9-347 (1) The gross proceeds of any lottery by the sale
16 of pickle cards shall be used solely for lawful purposes, awarding
17 of prizes, payment of the unit cost, any commission paid to a
18 pickle card operator, allowable expenses, and allocations for bingo
19 expenses as provided by subsection (5) of this section.

20 (2) Not less than sixty-five percent or more than eighty
21 percent of the gross proceeds of any lottery by the sale of pickle
22 cards shall be used for the awarding of prizes.

23 (3) Not more than ~~eight~~ ten percent of the definite
24 profit of a pickle card unit shall be used by the licensed
25 organization to pay the allowable expenses of operating a lottery

1 by the sale of pickle cards, except that license fees paid to the
2 department to license the organization, each utilization-of-funds
3 member, and any sales agent and pickle card dispensing device
4 registration fees shall not be included in determining the
5 ~~eight-percent~~ ten-percent limitation on expenses and no portion
6 of such ~~eight~~ ten percent shall be used to pay any expenses
7 associated with the sale of pickle cards at a bingo occasion
8 conducted pursuant to the Nebraska Bingo Act, and of such ~~eight~~
9 ten percent not more than four percent of the definite profit
10 may be used by the licensed organization for the payment of any
11 commission, salary, or fee to a sales agent in connection with
12 the marketing, sale, and delivery of a pickle card unit. When
13 determining the ~~eight~~ ten percent of definite profit that is
14 permitted to pay the allowable expenses of operating a lottery by
15 the sale of pickle cards, the definite profit from the sale of
16 pickle cards at the organization's bingo occasions shall not be
17 included.

18 (4) Not more than thirty percent of the definite profit
19 of a pickle card unit shall be used by a licensed organization
20 to pay a pickle card operator a commission, fee, or salary for
21 selling individual pickle cards as opportunities for participation
22 in a lottery by the sale of pickle cards on behalf of the licensed
23 organization.

24 (5) An organization licensed to conduct bingo pursuant
25 to the Nebraska Bingo Act may allocate a portion of the expenses

1 associated with the conduct of its bingo occasions to its lottery
2 by the sale of pickle cards conducted at such bingo occasions.
3 Such allocation shall be based upon the percentage that pickle
4 card gross proceeds derived from the sale of pickle cards at the
5 bingo occasions represents to the total of bingo gross receipts
6 and pickle card gross proceeds derived from such bingo occasions
7 for the previous annual reporting period. An organization licensed
8 to conduct bingo that has not been previously licensed shall
9 determine such allocation based upon the percentage that pickle
10 card gross proceeds derived from the sale of pickle cards at the
11 bingo occasions represents to the total of bingo gross receipts
12 and pickle card gross proceeds derived from such bingo occasions
13 for the initial three consecutive calendar months of operation.
14 The total amount of expenses that may be allocated to the
15 organization's lottery by the sale of pickle cards shall be
16 subject to the limitations on bingo expenses as provided for in
17 the Nebraska Bingo Act with respect to the fourteen-percent expense
18 limitation and the fair-market-value limitation on the purchase,
19 rental, or lease of bingo equipment and the rental or lease of
20 personal property or of a premises for the conduct of bingo. No
21 expenses associated with the conduct of bingo may be paid directly
22 from the pickle card checking account. A licensed organization
23 which needs to allocate a portion of the expenses associated with
24 the conduct of its bingo occasions to its lottery by the sale
25 of pickle cards conducted at such bingo occasions to pay bingo

1 expenses as provided by this section shall transfer funds from the
2 pickle card checking account to the bingo checking account by a
3 check drawn on the pickle card checking account or by electronic
4 funds transfer.

5 Sec. 3. Section 9-347.01, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 9-347.01 (1) For each type of pickle card unit marketed
8 in this state, the department shall determine the following: (a)
9 When a licensed organization sells pickle cards through pickle card
10 operators, the portion of the definite profit from that pickle card
11 unit which shall go to the licensed organization, such amount to
12 be not less than seventy percent of the definite profit from such
13 pickle card unit; (b) the maximum amount of the definite profit
14 from the sale of a pickle card unit that a licensed organization
15 may pay a pickle card operator as a commission, fee, or salary to
16 sell its pickle cards, such amount not to exceed thirty percent of
17 the definite profit from such pickle card unit; (c) the portion
18 of the definite profit from the sale of a pickle card unit which
19 may be expended by a licensed organization for allowable expenses,
20 such amount not to exceed ~~eight~~ ten percent of the definite profit
21 from such pickle card unit; and (d) the portion of the definite
22 profit from the sale of a pickle card unit which may be utilized
23 by a licensed organization for payment of the organization's sales
24 agent, such amount to be a portion of the allowable expenses and
25 not to exceed four percent of the definite profit from such pickle

1 card unit.

2 (2) The licensed organization's net profit from the sale
3 of a pickle card unit shall be used exclusively for a lawful
4 purpose. A licensed organization shall not donate or promise to
5 donate its net profit or any portion of the net profit to a
6 recipient outside of its organization as an inducement for or
7 in exchange for (a) a payment, gift, or other thing of value
8 from the recipient to any person, organization, or corporation,
9 including, but not limited to, the licensed organization or any
10 of its members, employees, or agents, or (b) a pickle card
11 operator's agreement to sell pickle cards on behalf of the licensed
12 organization.

13 Sec. 4. Original sections 9-255.04, 9-347, and 9-347.01,
14 Reissue Revised Statutes of Nebraska, are repealed.